

Using the land governance assessment framework (LGAF): lessons and next steps

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1. Why do we need a land governance framework

As a result of increased emphasis on measurable outputs rather than inputs and a recognition that outside support for economic development will be more effective if the policy and institutional framework is appropriate, empirically-based indicators of aggregate governance are now widely applied as tools for decision-makers that can point to specific areas for reform and monitor progress. Following a review of the challenges to be addressed for developing such indicators relevant to the land sector, we review the extent to which existing land indicators meet these requirements and draw conclusions regarding the desired nature of the indicators (for policy and diagnostic, combining qualitative with quantitative dimensions), their coverage (sufficiently broad to remain relevant in a variety of contexts), and the process for their assessment (empirically based but with ample involvement of civil society)

1.1 Why good governance of the land sector is important

It is now increasingly recognized that, in practice, the establishment and maintenance of institutions to define rights and make information on such rights freely available is an important role for the public sector to play. Awareness of the importance of institutions has increased attention in governance, broadly defined as ‘the manner in which public officials and institutions acquire and exercise the authority to shape public policy and provide public goods and services’ (World Bank 2007). Even as measured by standard indicators such as those focusing on corruption, land has long been known to be one of the sectors most affected by bad governance, something that is not difficult to understand in light of the fact that land is not only a major asset but also that its value is likely to rise rapidly in many contexts of urbanization and economic development. The most authoritative survey of global corruption finds that, after the police and the court, land services are the most prone to corruption, ahead of other permits, education, health, taxes, or public utilities (Transparency International 2009).¹ Although individual amounts may be small, such petty corruption can add up to be large sums; in India the total amount of bribes paid annually by users of land administration services are estimated at \$700 million (Transparency International India 2005), equivalent to three quarters of India’s total public spending on science, technology, and the environment. Large-scale and serious corruption associated with acquisition and the disposal of public lands is more notorious in some contexts. In the private sector, bad governance manifests itself in the difficulty to access land administration institutions in order to obtain land ownership information or to transfer property. Together, large- and small-scale corruption will reduce the perceived integrity and, because of high transaction cost, the completeness of land registries, thereby undermining the very essence of land administration systems.

Beyond the negative element of reducing opportunity for corruption and bribery, good land governance is also critical as a precondition for sustainable economic development in a number of respects. First, those who only have insecure or short-term land rights are unlikely to exert their full effort to make long-term improvements or investments attached to the land and may instead be forced to spend significant resources to defend their rights to the land, without producing benefits for the broader economy. In this respect, ensuring secure land rights is particularly important for women (especially in case of inheritance or divorce) and for other traditionally disadvantaged groups such as migrants or herders. Second, if property rights are poorly defined or cannot be enforced at low cost, it will also be much harder to transfer land between different uses. Secure land tenure facilitates transfers of land at low transaction cost through rentals and sales, improving the allocation of land. Without secure rights, landowners are less willing to

¹ In land services 15% of users having had to pay a bribe, putting it after police (24%) and the judiciary (16%) but ahead of other registry and permit services (13%), education and health (both 9%), and tax revenue or utilities (both 7%).

rent out their land, something that may impede their ability and willingness to engage in nonagricultural employment or rural-urban migration, reducing the scope for structural change and reducing the productivity of land use in both rural and urban areas. Third, setting up or expanding a business requires physical space, i.e. land. Non-transparent, corrupt, or simply inefficient systems of land administration constitute a major bottleneck that makes it more costly for small and would-be entrepreneurs to transform good ideas into economically viable enterprises.² Also, to the extent that easily transferable land rights can be used as collateral, their availability will reduce the cost of accessing credit for entrepreneurs, thus increasing opportunities for gainful employment and contributing to innovation and the development of financial systems. Finally, with economic development, increased demand for land, together with public investment in infrastructure and roads tends to increase land values. But in many cases, lack of well-functioning mechanisms to tax land implies that the scope for society, in particular local governments, to benefit from land value increases is limited. Instead, much of the gains ends up with private individuals and may fuel speculation or end up as bribes. If land institutions function properly, land taxation provides a simple, yet efficient tool to increase effective decentralization and foster local government accountability.

The need for good land governance is reinforced by three broad global trends: First, increased and more volatile commodity prices, population growth, and the resulting increased demand for rural and urban land make it all the more important to define and protect rights over land resources as a precondition for the broad sharing of the benefits of economic development. Climate change is also likely to have particularly pernicious effects on areas traditionally considered to be hazardous or marginal. Adequate land use planning together with geo-spatial tools making use of land information to manage disasters can help mitigate or adapt to these problems. Finally, global programs to provide resources for environmental services and, for example, reduced deforestation, are likely to affect behaviors at the local level and thus to be able to accomplish their objectives only if local land rights are recognized and resources are transferred effectively to right holders.

The effects of weak land governance will be particularly harmful for the poor in developing countries for whom land is a primary means to generate a livelihood, a key vehicle to invest, accumulate wealth, and transfer it between generations, and a key part of their identity. All over the world, land and real estate are a main component of household wealth.³ Because land comprises such a large share of the asset portfolio of the poor, providing secure property rights on the land they already use can increase the wealth of poor people who are not able to afford the (official and unofficial) fees needed to deal with the formal system. It also implies that improved land governance has great potential to benefit the poor directly and indirectly.

In this context, there is increasing recognition of the importance of good land governance at the political level, for example by the African Union whose Heads of State agreed in 2009 to a framework and guidelines for land policy in Africa which, among others, calls for the development of benchmarks against which to measure country performances (African Union 2009). Second, there is increasing investment in the sector by various organizations. A growing number of countries are implementing far-reaching programs to improve land tenure, often with significant support by multi-lateral⁴ and bilateral institutions.⁵ Finally, FAO, in partnership with other UN institutions, is launching a broad-based process of consultation that is expected to result in a set of voluntary guidelines for good governance of land and associated natural resources (FAO Land Tenure and Management Unit 2009, Palmer *et al.* 2009). The land

² World Bank investment climate surveys indicate that access to land was the main obstacle to conducting and expanding business by 57% of the enterprises interviewed in Ethiopia as well as 35% in Bangladesh and about 25% each in Tanzania and Kenya.

³ Most household surveys indicate that land constitutes between half and two thirds of the asset endowment of the poorest households.

⁴ The World Bank alone currently has a portfolio of dedicated land projects totaling \$ 1.5 billion under supervision. Other donors provide large amounts of support as well.

⁵ MCC's inclusion of the 'doing business' indicator for the cost and time required to register a property together with the IFAD land sub-indicator illustrate the political advantages of having an explicit reference to land at this level..

governance assessment framework (LGAF) presented below can provide an important technical input into these initiatives and help to take them forward.

1.2 How good land governance is being measured

The literature has developed numerous governance indicators that can be categorized into rule-based and outcome-based ones (Kaufmann and Kraay 2008). *Rule-based* indicators assess whether institutions generally presumed to be associated with good governance such as anti-corruption commissions are in place. As long as it is possible to identify relevant measures that are clearly linked to positive outcomes and easily observed by outsiders, the reference to discrete measures makes the assessment of governance status and progress easy. However, a frequently mentioned drawback is that a large number of indicators may be needed to approximate the complexity of real world situations. Moreover, having rules on paper often says little about the extent and quality of their implementation although it is clearly the latter that counts and is desired.⁶ *Outcome-based* indicators, by contrast, focus on either broad citizen perceptions, the extent to which (potential) users find public services to be easily accessed and responsive to their needs, or expert opinion about the *de facto* implementation of rules. While they provide a more differentiated picture, they are normally more costly to collect and less actionable from a policy perspective. In practice, output- and rule-based indicators can complement each other.

In the land sector, indicators based on opinion by experts who are presumed to be intimately familiar with the sector, have been most frequent. The way in which opinion is assessed often includes a large number of individual dimensions for which scores are assigned and then aggregated for aggregate decisions, e.g. to decide on allocation of resources across competing efforts. For example, at multilateral level, indicators to determine overall resource allocation, including the World Bank's country policy and institutional assessment (CPIA) and IFAD's performance-based allocation system (PBAS) make implicit or explicit reference to land and property rights as one element.⁷ An advantage is that such indicators are rather cheap to collect and, with appropriate explanations, can be actionable. At the same time, the relevance of rankings depends on the qualifications of experts and, if there is doubt about experts' knowledge or neutrality, may affect credibility. Also, the ability to compare across countries or over time may be limited, especially if the experts involved change over time.

While *representative surveys* of households, users, or intermediaries (e.g. lawyers) in accessing public services do not suffer from these drawbacks and thus may provide a better assessment of the quality of outcomes that can be compared over time, the size of samples required to obtain estimates that capture variations within a country can be quite large, making such efforts very costly. One way to go is to ask a sample of experts to provide responses for a hypothetical case (but actionable in some dimension) thus limiting potential bias. The World Bank's 'doing business' indicators (World Bank 2009) aim to accomplish this by asking experts to identify the actions required and associated cost for a stylized situation frequently encountered by entrepreneurs. Regarding property, the focus is on registration of a plot of given size and free of conflict and other encumbrances, for industrial use, in the surrounding of the country's capital. While this has been effective in drawing attention to the topic and prompting policy

⁶ For example, in all 41 countries covered by the World Bank's 2006 Governance Indicators, taking a bribe is officially considered as legal and all but three (Brazil, Liberia, and Lebanon) had anti-corruption commissions (Kaufmann and Kraay 2008).

⁷ The World Bank's CPIA, used to determine the allocation of IDA resources, includes property rights as one of 16 areas (macroeconomic management, fiscal policy, debt policy, trade, financial sector, business regulatory environment, gender equality, equity of public resource use, building human resources, social protection and labor, policies and institutions for environmental sustainability, property rights and rule-based governance, quality of budgetary and financial management, efficiency of revenue mobilization, quality of public administration, transparency, accountability, and corruption in the public sector). See <http://go.worldbank.org/F5531ZQHT0> for details. IFAD's performance-based allocation system is targeted more specifically to rural areas and includes an explicit indicator for access to land under its five broad headings. These are A. Strengthening the capacity of the rural poor and their organizations (ROs), including (i) policy and legal framework for ROs; and (ii) dialogue between government and ROs. B. Improving equitable access to productive natural resources and technology, including (i) access to land; (ii) access to water for agriculture; and (iii) access to agricultural research and extension services. C. Increasing access to financial services and markets, including (i) enabling conditions for rural financial services development; (ii) investment climate for rural business; and (iii) access to agricultural input and produce markets. D. Gender issues, including (i) access to education in rural areas; and (ii) women representatives. E. Resource management and accountability, including (i) allocation and management of public resources for rural development; and (ii) accountability, transparency and corruption in rural areas (IFAD 2009).

reform,⁸ the meaning of ‘registration’ and thus the associated requirements differ across legal systems and failure to adjust for these differences can greatly reduce relevance and usefulness of such indicators. This may fail to appropriately capture the country-specific nature and nuances of land administration systems (Arrunada 2007) or to yield more nuanced policy recommendations. These indicators have been very effective to provide empirical backing for highly visible efforts focusing on policy reform in one or two areas such as the reduction of transaction costs and transfer fees. At the same time, the relevance of these indicators in situations such as Africa where often 90% and more of land holders are not registered may be limited.

Local observatories to monitor land rights along a number of dimensions, often run by civil society groups and linked to advocacy or educational efforts, aim to respond to this gap as a third way to monitor land governance. Experience suggests that these can be very effective tools to build capacity and create broad awareness about an issue that is of great relevance to the majority of the population. This can be done more effectively if a common and agreed framework that provides a point of reference not only within a country but also beyond it is available. The land governance framework could provide such a framework.

1.3 The challenges of addressing land governance

The high demand for land governance from various sides raises the question of why there has not been more progress so far. Three reasons relate to (i) the technical complexity of land administration and the need to make trade-offs; (ii) the political sensitivity and in many cases institutional fragmentation of the land sector; and (iii) the location-specific nature of land tenure arrangements that makes simple institutional transplants impossible.

Land administration is technically complex and cuts across many disciplines such as law, information technology, geodesy, geomatics and surveying, economics, urban planning, anthropology environmental, social, and political science. Some of these fields such as IT are rapidly advancing, making it important to not stick with outdated solutions but rather design systems in a way that anticipates future improvements. A key challenge is the ability to make tradeoffs to improve overall system performance rather than focus on over-engineered approaches that may be appropriate from a disciplinary perspective but make the system unsustainable.⁹ While these trade-offs are ultimately a policy decision, a framework for the land sector can help to identify key areas of concern and guide support for developing an integrated strategy.

As control of land is a key determinant of economic and often political power, the land sector is intensely political. This explains, among others, for institutional fragmentation whereby, contrary to sectors such as education or health, responsibility for formulation and implementation of land policy is dispersed among ministries and institutions in different sectors (e.g. agriculture, environment, urban, mining, lands). Division of responsibility between central and local governments and institutions adds further complexity that often results in uncoordinated actions and high transaction costs. To deal with this, it is critical to take a holistic view and focus on objectively measurable information based on technical issues rather than value judgments and subjective perceptions that can be interpreted as politically motivated.

Land rights and tenure arrangements have evolved over long periods of time and space in response to ecological conditions and resource endowments and are often reflective of societies’ values and norms. Attempts to assess land institutions that fail to draw on local knowledge and instead try to impose ‘one size fits all’ solutions are unlikely to be effective as it may not be appropriate to the specific characteristics of a given location. Initiatives undertaken without local knowledge or out of sequence (e.g.

⁸ Global indicators on the cost and time required to register land, collected since 2004 by IFC for the main city in any given country based on expert opinion have received a considerable attention by policy-makers and development partners. Several extensions are currently underway.

⁹ Classic examples are laws that were written without considering the technical feasibility or affordability of implementation, survey standards that are out of line with the capacity and time available for implementation, land use or planning regulations that, with the stroke of a pen push most existing land users into informality, or large scale efforts at surveying without an appropriate policy framework, a clear, transparent and well-publicized process for adjudicating rights, or a functioning system of registration to ensure that information can be maintained current.

surveying or titling without a policy framework to secure rights and ensure an accessible and transparent process) having undesirable impacts.

As a result, rather than just combining existing governance indicators in innovative ways (as done by the de Soto property rights initiative), it was felt that a more specific approach was needed if one was to come up with a tool to assess land sector governance that can serve as a basis for diagnosis and policy dialogue while at the same time allowing to generate data in a replicable and cost-effective way. Ideally, this should be characterized by (i) sufficient standardization to allow at least qualitative comparison across countries and, more importantly, identification of good practices that could be transferred between countries; (ii) use of quantitative information as much as possible to provide ways to eliminate subjectivity, verify information, and compare over time and ideally also across space within a country; (iii) comprehensive coverage of relevant issues and a link to actionable policy prescriptions; and (iv) a tool that can be applied at sufficiently low cost to generate debate and consensus among stakeholders to allow follow-up measurement and contribute to substantive harmonization and coordination.

2. The substantial content of the LGAF

Before trying to assess or measure land governance, one has to clearly understand the roles to be fulfilled by public institutions in the land sector. Based on the literature, these are essentially three-fold: First, there is need for a legal and institutional framework that clearly defines the rules for allocation of property rights to land and, by allowing their enforcement in a cost-effective way, encourage land-related investment. Second, reliable and complete information on land rights needs to be made available freely to interested parties so as to allow low-cost verification of land ownership status. This can in turn form the basis for low-cost land transfers to more productive use(r)s and the use of land as collateral in financial markets. Finally, there is need to perform a regulatory function to avoid negative externalities that may arise from uncoordinated action by private parties. Weak governance of the land sector and a failure to perform these functions effectively and in an efficient manner will negatively affect development by reducing investment levels, land transfers, financial sector activity, and the scope for meaningful decentralization. At the same time it will contribute to elevated levels of conflict and possibly irreversible degradation of natural resources. Because the poor lack other assets, access to land is more important to them, and consequently bad land governance will have undesirable distributional consequences and disproportionately hurt the poor.

The above functions led us to identify five key areas of good land governance, namely

- *A legal, institutional, and policy framework* that recognizes existing rights, enforces them at low cost, and allows users to exercise them in line with their aspirations and in a way that promotes the benefit of society as a whole.
- Arrangements for *land use planning and taxation* conducive to avoiding negative externalities and supporting effective decentralization.
- Clear identification of *state land* and its management in a way that provides public goods cost-effectively; use of expropriation as a last resort only to establish public infrastructure with quick payment of fair compensation and effective mechanisms for appeal; and mechanisms for divestiture of state lands that are transparent and maximize public revenue.
- *Public provision of land information* in a way that is broadly accessible, comprehensive, reliable, current, and cost-effective in the long run.
- Accessible mechanisms to authoritatively *resolve dispute and manage conflict* with clearly defined mandates, and low cost of operation.

Justifications for each of these, as well as ways to make them operational, are discussed below.

2.1 Legal and institutional framework

A good legal and institutional framework implies that long-standing rights by existing land users are recognized (not necessarily formally but eligible for compensation in case of expropriation) and that the state has institutions and policies in place that allow right holders to easily enforce their rights and exercise them in line with their values and aspirations and in ways that will further the benefits of society as a whole.

*Recognition of rights (LGI 1):*¹⁰ As failure to recognize existing rights will create tenure insecurity, curb investments in land, increase the potential for conflict, and divert resources that can be more productively deployed elsewhere to the defense of property claims, legal recognition of existing land rights is a key element of good land governance. Failure to clearly identify or define land rights, by either individuals or groups, can reduce the ease of making transactions, blocking movement of land to more efficient uses and possibly its use as collateral. In traditional systems, rights held by women, children, and vulnerable groups such as migrants or herders are often insufficiently protected, come under threat as land values increase, or are in danger of being appropriated by the better-off or well-informed. In a dynamic environment there is thus a need for special safeguards to ensure that such rights are protected. The fact that in practice within a given country or jurisdiction different rights are likely to co-exist and evolve over time implies a need for flexibility in the type of rights that can be recognized and ways in which these can be upgraded. At the same time, it is important that rights be administered transparently, cost-effectively, and in a way that enjoys local legitimacy. In particular, as long as the choice in favor of collective or communal ownership arrangements is made by users based on careful and informed consideration of the advantages and disadvantages of different arrangements, there is nothing inferior about such choices. To the contrary, if rights are not formally recognized, identification and registration of community boundaries is a very cost-effective way to cover large areas with limited time and resource requirements, provided that there are accountable structures within communities that allow flexible changes in arrangements revisited as circumstances change

Enforcement (LGI 2): To allow effective protection against competing claims, legal recognition needs to be backed by right holders' ability to unambiguously identify land boundaries and call upon the powers of the state to defend their rights if they are challenged. If increased frequency of transfers makes it more likely for competing claims to arise, a phenomenon generally observed as land becomes more valuable, registration to put existing rights -as well as transfers of these rights- on public record is normally worth the cost, especially if locally accepted and low-cost mechanisms are employed to do so. If rights are assigned to groups, regulations on how such groups can organize themselves, decide on internal rules, interact with outsiders, and call on external agencies to enforce rules, will be needed.

Mechanisms for formalization (LGI3): Although it will not miraculously transform an economy through a sudden emergence of credit markets, putting rights to land on record is often justified if land values and frequency of transactions increase. However, if existing land rights are unclear or weak, using a sporadic or on-demand approach for first-time registration of rights will often carry a significant risk of land grabbing by well-connected and powerful elites. Systematic registration efforts that include ways to (i) inform all potential claimants about process and criteria used to decide between competing rights; (ii) make claimants come forward; and (iii) adjudicate rights at one point in time can significantly reduce these dangers, in addition to often achieving significantly lower unit cost than sporadic registration, especially in sparsely populated areas. Even where a systematic process of registration has been adopted, ways to upgrade tenure on a demand-driven basis will be needed and mechanisms to do so should be affordable, transparent, and consistent with existing tenure practices.

Restrictions on rights (LGI 4): While user groups or society at large can impose limits on the type of rights or ways in which these can be exercised by individual right holders, these should be based on a careful

¹⁰ LGI refers to Land Governance Indicators in the land governance assessment framework (see section 3 below).

assessment of the cost and benefit of different options, aim to achieve certain (environmental, health, security or other) effects at low cost, and not disproportionately affect certain groups of right holders. Restrictions that are beyond the reach of large portions of right holders will give rise to high costs of evasion and can lead to highly discretionary enforcement that is not consistent with principles of good land governance.

Clear institutional mandates (LGI 5): Public sector functions on land are normally performed by different institutions and routine administrative tasks should, as long as capacity is available, best be decentralized. Unclear or overlapping mandates and functions increase transaction costs and can create opportunities for discretion that undermines good governance and can push users into informality. They can also create confusion or parallel structures that threaten the integrity and reliability of documents and information provided by land sector institutions, rendering policy implementation difficult.

Participatory policy framework (LGI 6): The legitimacy of land sector institutions and actions performed by them depends on the extent to which the policy framework guiding their activities is backed by social consensus rather than being perceived as being captured by special interest groups. Land policy is thus most appropriately developed in a participatory and transparent process that clearly articulates policy goals, identifies different institutions' responsibilities, and includes an assessment of the resources needed for quick and effective implementation. It is important that ways to measure progress towards achieving land policy goals be well defined and that responsibility for monitoring and publicizing progress towards meeting them -in ways that can be understood by the affected and feed into the policy dialogue- is clearly assigned, either based on administrative information by relevant ministries or an independent institution.

2.2 Land use planning and taxation

Identification and in many cases recording of land rights is essential to provide sound management incentives. At the same time, rights come with responsibilities and obligations and there is a clear social interest to have land utilized in a way that allows cost-effective provision of public goods and avoids negative externalities. Moreover, especially at low levels of development where other sources of revenue may be limited, land taxation can help support decentralization in a way that encourages effective land use.

Existence of justified and transparent plans (LGI 7): While land use planning is justified to allow effective provision of public goods in a way consistent with resources available, three areas are relevant for good governance. First, land use plans and regulations should allow coping with future land demands, avoid unrealistic standards that would force large parts of the population into informality, and be implemented effectively. They need to be designed keeping in mind the affordability of compliance, the resources needed for effective enforcement, and availability of mechanisms to bring reality in line with existing regulations. Planning or building standards that are beyond the reach of the majority of the population, even if sound from an engineering perspective, may hurt good governance without leading to better land use.

Effective planning process (LGI 8): While changes in the ways land is used or managed are a side-effect of development, they should provide benefits to society at large rather than only specific groups, be made in a transparent fashion, and implemented accountably. Re-zoning, especially at the peri-urban fringe, can lead to large changes in land values. Having insider information on planned regulations or construction of infrastructure ahead of their actual implementation can allow those 'in the know' to acquire land in anticipation and capture potentially huge of rents. To prevent speculative land acquisition along these lines and the associated dangers of corruption, changes in zoning regulations and major infrastructure constructions should be decided transparently with broad participation, be well advertised before their actual imposition, and be combined with measures (e.g. capital gains taxes or betterment levies) that would allow the public to capture significant part of the surplus generated. Damages which imposition of land use restrictions imposes on those who acquired land rights in good faith should be compensated. Good governance also requires that conflict of interest arising from the fact that the same government

institution or individual imposes land use plans and regulations, hears appeals, and possibly even acts as the ultimate land owner, be avoided.

Permit processing and allocation (LGI 9): While there is a social interest in having land use adhere to certain minimum standards to avoid negative externalities, routine requests for building and development permits should be handled promptly and predictably (and can in fact be contracted out). Slow and opaque processes can lead to inefficient resource allocation hinder investment and economic development by imposing uncertainty and costs on potential developers.

Land taxation (LGI 10&11): The ability to raise revenue and decide on the desired level of service provision at the local level is a key for effective decentralization. Taxes on land and property are one of the best sources of self-sustaining local revenues. However, political considerations often imply that this instrument is not used to its full potential. This can encourage speculation, e.g. via idle holding of land in anticipation of large capital gains in the future and rent seeking. Allowing local governments to retain large part of the property tax revenue they collect, providing them with the technical means (e.g. cadastres) to do so, and establishing clear principles for valuation and regular updating of rolls to avoid arbitrariness, all will make land taxation more attractive. While none of these measures pose technical challenges, they may be resisted by those who would be required to pay significant amounts of taxes.

2.3 Public land management

Public land ownership is justified if public goods are provided (e.g. infrastructure or parks) or if land is used by public bodies (schools, hospitals, defense, and state enterprises). At the same time, the way in which state land is managed, acquired, and divested often poses serious governance challenges. To minimize such risks, it is important that (i) state land with economic value be clearly identified on the ground; (ii) expropriation be used as a last resort to provide public goods if direct negotiation is not feasible and be implemented promptly and transparently with effective appeals mechanisms; and (iii) public land that is no longer needed (or that should not have been public in the first place) be divested in a way that maximizes public revenue and uses transparent mechanisms.

Inventory of public land (LGI 12): Effective management of public land is virtually impossible if there is no inventory of such land or if its boundaries are defined ambiguously. Having an inventory of economically valuable state-owned land that includes identification of the boundaries of such land is a *sine qua non* of proper management of this important public asset. Absence of such an inventory provides opportunities for well-connected individuals to try and establish land rights through informal occupation and squatting, often with negative environmental impacts. Also, information on revenues received from public lands and costs incurred to manage it should be open for public scrutiny and adequate capacity to staff in the relevant institutions will need to be built.

Expropriation (LGI 13 & 14): To prevent that inappropriate use of the state's powers of expropriation pose serious challenges to good governance, acquisition of land by the state will need to be carefully proscribed, regulated, and monitored. While expropriation can be justified to prevent moral hazard and holdout problems by private owners, using it too widely runs a risk of public officials using powers in a way that promotes private interests rather than public goods. Given the often slow and unpredictable nature of actions by the public sector and the risk of cases being dragged into politics, private sector operators may be better off acquiring land through a negotiated process.¹¹ Where appropriate, expropriation procedures should be clear and transparent with fair compensation in kind or cash at market values made available expeditiously. Those whose land rights are affected will need to have access to mechanisms for appeal that can provide authoritative rulings in a swift, independent, and objective manner.

¹¹ One example that has received great publicity is the attempt to acquire land for building a Tata car factory by in West Bengal. As expropriation proceedings became highly politicized, this failed to materialize. Tight limits on expropriation in Peru are supported by entrepreneurs who prefer to directly negotiate with land users rather than having the public sector drag out the process.

Divestiture of state land(LGI 15): In cases where, for example due to historical reasons, the state owns more land than it should or can effectively manage, transfer or lease of such land can be an important tool to increase the supply of land or to use the generated revenue to provide public goods. In many contexts, *divestiture* of government land is one of the most egregious forms of ‘land grabbing’, bad governance, outright corruption (e.g. bribery of government officials to obtain public land at a fraction of market value) and squandering of public wealth. Avoiding these will require that such processes follow clear, transparent, and competitive process, that any payments to be received and the extent to which they are collected be publicized, and that the institutions involved be subject to regular and independent audits.

2.4 Public provision of land information

Cost-effective provision of land information through registries has traditionally been at the heart of titling and registration programs. While such programs have often contributed to positive outcomes, examples where they failed to reach their objectives in terms of outreach, equity, and sustainability, point towards a need to ensure that registries provide broad access to comprehensive, reliable, up to date information on land ownership and relevant encumbrances in a cost-effective way. A regular assessment of the extent to which they do so can be an important element to help improve land governance.

Completeness and reliability (LGI 16&17): As potential investors cannot be sure whether any gaps that might exist in the registry could be of relevance for their interests, they will derive few benefits (in terms of eliminating the need for checking on land ownership information on a case by case basis) from land registries that do not provide complete, geographically exhaustive, and reliable information. The most extreme form of ensuring reliability of land registries is for the state to indemnify anybody for losses suffered from deficient information by the registry, an institutional innovation that has enabled the Australian Torrens system to quickly spread around the world and that continues to provide the basis for the attractiveness of this system to this day.¹² It is thus critical that registry information be accessible to interested parties quickly, complete, up to date, and sufficient to make relevant inferences on ownership or any economically relevant encumbrances.

Cost-effectiveness, accessibility, and sustainability (LGI 18&19): Even if documenting land rights and the boundaries of such rights has clear benefits, sustainability of land registries¹³ and their ability to reach out to those with limited resources will critically depend on this being done in a low-cost manner. Failure to choose designs with low operational cost often led to establishment of registries that either failed to achieve full coverage or that became outdated as soon as subsidies to their operation stopped. The reason is that users unwilling to pay large amounts of money to register transactions failed to do so and reverted back to informality.¹⁴ Ensuring that operations can be sufficiently efficient to be justifiable in terms of land values and land users’ wealth is of great importance to prevent registry becoming quickly out of date. A necessary condition for this is that running cost is kept reasonable and that fees are determined and collected in a transparent manner. At the same time, rather than trying to squeeze cost of operation to unrealistically low levels -a measure that could create governance challenges of its own, cost should be kept low through adoption of appropriate technology, especially with regard to the precision required from ground surveys.¹⁵ The fact that in some countries such efforts were opposed by few surveyors who, by controlling entry, maintained a de-facto monopoly on the market, points to the important governance issues underlying these rather technical issues.

¹² With modern technology, deeds systems can also provide reliable information that allows checking for possible pre-existing claims and includes protection against malfeasance.

¹³ While data on reversion to informality after systematic titling campaigns are limited, the few cases where such information is available suggest that the magnitudes involved can be large (Barnes and Griffith-Charles 2007). More rigorous quantitative assessment of this issue would be highly desirable.

¹⁴ Having realistic fee schedules and paying employees competitive wages is important to prevent middlemen and registry officials to rely on bribes for provision of quick or high quality services, therefore leading to a culture of corruption that is one of the reasons why land administration ranks so highly in any independent assessments of governance.

¹⁵ Systematic documentation on involved the trade-offs would be highly desirable.

2.5 Dispute resolution and conflict management

Given the secular forces affecting land values, the magnitude of the resources and the vested interests at stake, and the rapid pace of social and economic change experienced by many developing countries, it may be naïve to assume that conflicts over land can be avoided. What is more important from a land governance point of view is that potential sources of conflict be dealt with in a consistent fashion rather than on an ad-hoc basis and that institutions to resolve dispute and manage conflict are accessible, have clearly defined mandates, and work effectively.

Clarity of assignment (LGI 20): To prevent either large-scale opportunistic behavior and erosion of authority or high level of persistent conflict that might escalate with socially disruptive consequences, it is important to have conflict resolution institutions that are legitimate, accessible to most of the population, and legally authorized to resolve conflicts. Failure on any of these counts can lead to ‘forum shopping’ whereby those with better knowledge or connections choose channels of dispute resolution that are most likely to yield an outcome favorable to them, or even pursue conflicts simultaneously in multiple fora. In many cases efforts to avoid this will require giving recognition to the verdicts reached by local bodies for conflict resolution, possibly subject to them not violating basic norms of equity and transparency, ensuring that those making decisions have basic legal knowledge, and decisions can be appealed against relatively quickly.

Effectiveness (LGI 21): Continuing dispute that cannot be resolved authoritatively can impose huge cost not only on individuals but also on society as a whole as it will ‘sterilize’ land from investment and development. Therefore, although the wide variety of potential conflicts and the differences in legal and social norms make it difficult to assess the effectiveness of legal institutions (which would be a subject of more detailed analysis under justice reform programs), a minimum criterion is that the share of land users or plots affected by pending conflicts is low and decreasing.

3. The methodology for applying the LGAF

To make sector-specific indicators of land governance policy relevant in a specific setting, a methodology and process are needed that can allow using land governance indicators as a diagnostic tool to assess a country’s situation and, on the basis of the shortcomings identified, ideally come up with a set of policy recommendations or areas for future research. This section describes the overall framework used to guide the assessment, the different ways to assemble background information, and the process adopted to come up with a consensus ranking that is sufficiently robust to be presented to policy makers.

3.1 The ranking framework

To summarize information in a structured way that is understandable by policy makers and can be compared across countries, we chose to build on the methodology used by the Public Expenditure and Financial Accountability assessment tool (PEFA).¹⁶ We follow PEFA by using the five thematic areas as a basis for 21 land governance indicators (LGIs). Each indicator relates to a basic principle of land governance as illustrated above and is then further broken down into a between 2 and 6 ‘dimensions’ for which objective empirical information can be obtained at least in principle. The result is a LGAF with a total of 80 dimensions, which, based on experience in various countries, can be assessed using objective information. Each dimension is ranked by selecting an appropriate answer among a list of pre-coded

¹⁶ PEFA is a partnership between the World Bank, the European Commission, the UK’s Department for International Development, the Swiss State Secretariat for Economic Affairs, the French Ministry of Foreign Affairs, the Royal Norwegian Ministry of Foreign Affairs, and the International Monetary Fund that aims to support integrated and harmonized approaches to assessment and reform in the field of public expenditure, procurement and financial accountability. It aims to strengthen recipient and donor ability to (i) assess the condition of country public expenditure, procurement and financial accountability systems, and (ii) develop a practical sequence of reform and capacity-building actions, in a manner that encourages country ownership, reduces the transaction costs to countries, enhances donor harmonization, allows monitoring of progress of country public finance management performance over time, better addresses developmental and fiduciary concerns, and leads to improved impact of reforms. The partnership started in 2001 and, since finalization of the assessment framework in 2005, has conducted 127 assessments in 105 countries. See www.pefa.org for details.

statements that have been drafted based on extensive interaction with land professionals and refined through the pilot country case studies.

While the general framework for using local knowledge to come up with comparable indicators is adopted from PEFA, the specific challenges of the land sector as outlined above led us to introduce four key differences.

First, to ensure that the nuances of local legislation and practice are adequately captured, the main responsibility for the conduct of the exercise is with the country coordinator, a local expert in law or land administration. This person is critical to the success of the exercise and will have to be well qualified and carefully chosen. Responsibilities include the compilation of relevant background studies to be made available to those who will actually rank indicators as described below.

Second, the dimensions to be ranked are grouped into sets of about 10. Panels of 3-5 members with experience in the relevant topic matter are then formed to come up with consensus rankings for the indicators in their area drawing on their own experience, informal interviews with experts, and background information provided to them by other experts through the country coordinator.

Third, there is no intention to aggregate across indicators to come up with an ‘overall’ score of land governance in the aggregate or for individual thematic areas. At this point such aggregation does not seem to be warranted and it will be better to use individual dimensions to compare countries and draw lessons from good practice.

Finally, in contrast to the PEFA assessment tool which is commonly applied during a 2-week mission by a joint government donor team that may be dominated by expatriates, the LGAF is applied over a 3-5 month period under the guidance of a local coordinator in a structured process that involves assembly of key background information on key aspects of land governance, followed by meetings of diverse groups of stakeholders with first-hand knowledge or experience of the issues at stake to come up with a consensus ranking and elaboration of a country report. This helps obtain more in-depth background information, capture regional differences and local realities as perceived by different local stakeholder groups, thereby getting buy-in beyond government and the donor community, and reduces costs.

3.2 Compilation of background information

In an area as complex and potentially controversial as land tenure, any exercise not based on rigorous review of available information and analysis is likely to be challenged. It is thus critical that rankings are based on a proper understanding of the underlying issues and that all participants start off with the same amount of information. To accomplish this, the country coordinator him/herself or with assistance from a legal expert, puts together a ‘tenure typology’ that is intended to provide an exhaustive listing of the legally recognized tenure types in the country, their physical size and the number of land holders involved, and policy issues that are likely to arise in their application. In addition, the coordinator recruits one local specialist each in the areas of land tenure, land use policy, public land management; and land administration. These specialists are tasked with putting together relevant studies and administrative or ‘unofficial’ data, to be obtained through personal contacts or phone calls to the relevant institutions. These are documented and used as a basis for a subjective ranking of the set of LGAF dimensions corresponding to their area of expertise, together with a justification for these rankings. Tenure typology, expert rankings, and a summary of the justifications provided by the experts, and results from any sampling that may have been undertaken, serve as an input into the determination of the consensus ranking for each of the dimensions.

Although the systematic involvement of experts as detailed above may be a significant improvement, issues such as the currency of registries, extent of female rights, collection of taxes, adherence to rules in case of expropriation, transparency of public land dispositions, nature, area, and age of disputes are nearly impossible to assess with any degree of confidence even for individuals who are very familiar with a country’s land tenure system, partly because they are likely to vary significantly over space. While expert

opinion may provide a general order of magnitude, making inferences on inter -regional or -temporal variation in these makes reliance on hard data mandatory.

To demonstrate the feasibility and usefulness of having such data available, small surveys of key issues were undertaken in most pilot countries. Although samples were too small to approach representativeness, the exercise confirmed that, given their variation even within a country, such indicators are very meaningful and that their collection does not pose any conceptual difficulty. In fact, combining such data with other administrative data (e.g. on costs of service provision) or with socio-economic information at the district level (e.g. on levels of poverty) will provide opportunities for making inferences on the outreach, client responsiveness, and potential poverty-impact of land administration services and the cost effectiveness with which they are provided. As such data refer to administrative functions that are routinely performed by different part of land administration systems, their collection can easily be built into existing business processes. In light of this, spending significant resources on a separate data collection effort in the context of LGAF application is not cost-effective and a clear recommendation from the pilot country experiences, which we will return to below, is that collection and publication of such data on a routine basis should be part of any future donor efforts to land administration systems.

3.3 Expert panels

While systematic collection of information before any ranking is undertaken is an important innovation by the LGAF, its core is to provide rankings through panels, each including a diverse set of individuals who are exposed to different aspects of services in the area explored. Panel members typically include lawyers, academics, members of business chambers, banks, NGO representatives, government officials, land professionals and others (e.g. builders requiring permits) who interact with relevant institutions and thus have an empirical basis to assess performance. Experience suggests that 3-5 members who will bring together a variety of user perspectives and substantive expertise needed to provide a meaningful ranking can be selected for each of these panels and be provided with a small honorarium for their participation. To ensure that panel members only assess areas they are familiar with and to prevent overload, the 80 dimensions are distributed among eight panels on (i) land tenure; (ii) institutional arrangements; (iii) urban land use, planning and development; (iv) rural land use and policy; (v) land valuation and taxation; (vi) public land management; (vii) public provision of land information; and (viii) disputes resolution.

In terms of process, to provide the basis for a meaningful discussion, panel members are briefed by the country coordinator on the objectives of the exercise, provided with the background material assembled previously and asked to provide any additional information that might be relevant for the topic. This informal briefing (which often also entails a meeting) is then followed by the panel gathering in a workshop-like setting the length of which can range from a few hours to an entire day, depending on the amount of prior preparation. The purpose of this meeting is to jointly discuss and review the material prepared, add specific cases and experience, and on this basis, come up with a panel consensus ranking through debate and aggregation of individual members' rankings.¹⁷

One advantage of this approach is that, based on their experience in the sector, panel members will in many cases be able to not only identify cases of good or inadequate performance but also identify reasons leading to such performance. In the case of good performance, this can hold lessons for other countries. If performance is unsatisfactory, experts will be able to point to either policy changes or identify issues that will need to be studied in more detail to provide a sound basis for recommendations. Based on discussion

¹⁷ Procedures varied slightly across pilot countries, partly in response to local practices and country coordinator characteristics. Based on this experience, it seems that it will be most effective to provide written information to panel members together with the invitation for a first meeting to explain the general methodology, present the results (including the preliminary ranking) from the expert investigation, and ask panel members to identify sources of additional information which the country coordinator can collect in advance of a second meeting. Results from doing so, together with tentative policy recommendation, if circulated in advance, will then provide a basis for panel members to have a meaningful discussion that will allow them to come up with a consensus view (or note any dissenting views) during a second meeting. In this way, the Aide Memoire can evolve over time and be reviewed by panel members more than once. Providing an honorarium for such efforts is appropriate to compensate panel members for the time spent on this, help equalize input across members, and ensure accountability for results.

in the various panels, the country coordinator can then use this to identify a prioritized list of policy interventions and/or gaps in available evidence in selected areas that can be a basis for recommendations to improve land governance, thereby making the exercise a highly constructive one.

To accomplish this, the country coordinator will summarize results from the panel discussion in an Aide Memoire that is made available to all participants for review and approval. Aide Memoires from the eight panel sessions will provide the basis for, and be annexed to, a country report, the compilation of which is the responsibility of the country coordinator. The country report thus consists of three elements, namely (i) the tenure typology; (ii) the consensus ranking arrived at for each of the dimensions, together with a summary of the evidence and materials used to come up with a consensus ranking by the panels; and (iii) priority recommendations for policy and areas where more evidence might be needed.

4. Conclusion and next steps

Based on lessons regarding the extent to which pilot application of the LGAF in five countries (Ethiopia, Indonesia, Kyrgyz Republic, Peru, and Tanzania) lived up to expectations, this section assesses the usefulness of the framework and the scope for using it as one input, to be developed and improved upon in the course of implementation, into a 'land governance partnership' that would not only explore land governance in other countries but also establish ways of measuring it on a more continuing basis.

4.1 Methodological and process lessons from the pilot

A key underlying hypothesis was that a sector-specific approach to governance was required and that, the differences in historical context notwithstanding, a framework that is identical across countries will have many benefits that include comparison of rankings in specific areas and use of these to point to good practice and policy reform. This has been fully vindicated. Technically, pilot cases demonstrate that a structured diagnostic review of the land administration system in a given country is feasible without imposing value judgments. Although not all cases were a resounding success, the pilots helped refine the framework and provided lessons regarding implementation and refinements are already reflected in the LGAF. While not all elements are equally relevant everywhere, there is a general feeling that coverage is broad enough (without becoming too complex) and that there is sufficient scope to adapt to country-specific conditions in the inception stage for the LGAF to be ready for roll-out to other countries with an expectation of producing useful results.

A key decision that made the LGAF deviate from other tools such as PEFA was to put strong emphasis on involvement of local experts and users who interact with the system in a wide range of contexts. This has proved to be critical to draw on the range of experience required to document and identify areas for policy action. At the same time, two areas for improvement can be identified. First, there was little coherence in the way and extent to which government was involved in the process, something that could affect the extent to which policy recommendations will be acted upon. Although the wide range of potential arrangements makes it difficult to make general recommendations, it seems to be desirable to have a general agreement with government that would include access to whatever data are available as well as an arrangement for obtaining official comments and disseminating results through a joint workshop in the end but leave the extent to which officials are involved to the country coordinator.¹⁸ To achieve this, a formal mandate to conduct these assessments as an input into making the AU LPI or the FAO voluntary guidelines operational in a country context, a formal mandate under this umbrella could be very useful. Second, as experience on implementation of the LGAF accumulates, ensuring that country coordinators have access to procedural and substantive lessons from other countries will be important to make the process as effective as possible and prevent costly learning by trial and error. Mechanisms to do so can involve workshops with country coordinators before starting up the work and involvement of a global coordinator throughout the process and the overall team in dissemination workshops.

¹⁸ In a number of instances during the pilot, involvement of mid-level government officials unwilling to admit to shortcomings in the way the system operated made it impossible for the panel to come to a consensus view. If there is a danger of this happening, it would probably be useful to have the panel present a user view of the system and get consolidated Government comments thereafter but before a public workshop is held.

Although it is unrealistic to expect the LGAF to be useful for provide cross-country comparisons, we did expect that use of an identical structure for a very heterogeneous set of countries would allow to identify good practice that could potentially be transferred across countries as well as areas which, because they are problematic in a number of instances, would warrant more analytical efforts. Indeed, results suggest that even in the pilots, there were many lessons and good practices that could be transferred across countries in each of the five main areas. These are critical to feed back into the policy dialogue to show that innovative solutions are indeed feasible and could in turn provide the basis for a vigorous South-South exchange of experience.

4.2 Where to go from here?

It will be desirable to roll out the LGAF as a diagnostic tool. In all of the countries studied, the LGAF was useful as a diagnostic tool to identify gaps in policy and the way in which institutions function or responsibilities between institutions are assigned. The benefit of having a framework to identify issues in a way that can be compared across countries is that good practice that has been identified in one setting can help to identify possible options for policy reform in another and in particular illustrate ways in which elsewhere solutions to seemingly difficult policy areas have been identified, something that can also help to gain momentum for policy reform. If applied in a way that draws on existing expertise and broad participation by relevant stakeholders (including governments) from the beginning, the LGAF can not only help to broaden the range of issues to be covered in such analysis but also the relevance of the resulting analysis and the credibility of resulting recommendations for policy or further study. Beyond this, there are three areas that might be addressed jointly by development partners.

First, the LGAF can also provide a basis to monitor discrete (rule-based) indicators of policy reform and, in doing so, provide an opportunity for a broad-based coalition of actors (including NGOs, the private sector, and academics) to monitor to what extent recommendations are followed through. In fact, in Peru, panel members suggested to put in place a structure that could provide such follow up would be possible with modest resources and discussions along this line are ongoing. This is very similar to the ‘land observatories’ that have already been established in various contexts and, where these are available, could build on this structure to work towards establishment of a broad-based ‘land working group’. Such a group could provide regular input into national fora such as the CAADP roundtables to provide specific operational guidance to policy. This could be linked to agreement on specific steps and reporting on progress made towards these in response to multilateral initiatives such as the AU’s land policy guidelines or other initiatives.

Second, beyond the discrete indicators, the LGAF points towards a number of areas that change relatively quickly and where thus the design of quantitative indicators to monitor land governance on a more frequent basis will be useful. While more work will be needed to agree on the specific definition of variables, the LGAF experience suggests that key areas of concern include (i) the coverage of the land administration system (i.e. the extent to which primary or secondary rights by groups or individuals are recorded) and the extent to which different types of transfers are registered, with particular attention to women; (ii) the amount of land tax revenue raised; (iii) the total area of public or private land that is mapped with information publicly available; (iv) the number of expropriations and the modalities with which compensation is paid (including amounts and delays in receipt of payment); and (v) the number of conflicts of different types entering the formal system. The fact that each of these indicators is related to one or more core areas of the land administration system suggests that collection and publication of these indicators on a regular basis, and -to accommodate wide variations of these indicators over space- in a way that can be easily disaggregated by administrative units, should be a routine in any land administration system and be integrated in future donor support to this area. In fact, the two elements discussed above taken together, i.e. discrete measures of policy and specific quantitative indicators would not only reinforce each other but could also provide the basis for a more results-based way of providing support to the land sector that could help to increase accountability at the national level and sharing of

experience and collaboration across countries to effectively address some of the challenges involved in improving land governance.

Table 1: - LGAF Dimensions ordered by Thematic Areas

THEMATIC AREA 1. LEGAL AND INSTITUTIONAL FRAMEWORK	
<i>LGI-1. Recognition of a continuum of rights: The law recognizes a range of rights held by individuals as well as groups (including secondary rights as well as rights held by minorities and women)</i>	
1 i	Existing legal framework recognizes rights held by most of the rural population, either through customary or statutory tenure regimes.
ii	Existing legal framework recognizes rights held by most of the urban population, either through customary or statutory tenure regimes.
iii	The tenure of most groups in rural areas is formally recognized and clear regulations exist regarding groups' internal organization and legal representation
iv	Group tenure in informal urban areas is formally recognized and clear regulations exist regarding the internal organization and legal representation of groups.
v	The law provides opportunities for those holding land under customary, group, or collective tenure to fully or partially individualize land ownership/use. Procedures for doing so are affordable, clearly specified, safeguarded, and followed in practice.
<i>LGI-2. Enforcement of rights: The rights recognized by law are enforced (including secondary rights as well as rights by minorities and women)</i>	
2 i	Most communal lands have boundaries demarcated and surveyed/mapped and communal rights registered.
ii	Most individual properties in rural areas are formally registered.
iii	Most individual properties in urban areas are formally registered.
iv	A high percentage of land registered to physical persons is registered in the name of women either individually or jointly.
v	Common property under condominiums is recognized and there are clear provisions in the law to establish arrangements for the management and maintenance of this common property.
vi	Loss of rights as a result of land use change outside the expropriation process, compensation in cash or in kind is paid such that these people have comparable assets and can continue to maintain prior social and economic status.
<i>LGI-3. Mechanisms for recognition of rights: The formal definition and assignment of rights, and process of recording of rights accords with actual practice or, where it does not, provides affordable avenues for establishing such consistency in a non-discriminatory manner</i>	
3 i	Non-documentary forms of evidence are used alone to obtain full recognition of claims to property when other forms of evidence are not available.
ii	Legislation exists to formally recognize long-term, unchallenged possession and this applies to both public and private land although different rules may apply.
iii	The costs for first time sporadic registration for a typical urban property is low compared to the property value.
iv	There are no informal fees that need to be paid to effect first registration.
v	The requirements for formalizing housing in urban areas are clear, straight-forward, affordable and implemented consistently in a transparent manner.
vi	There is a clear, practical process for the formal recognition of possession and this process is implemented effectively, consistently and transparently.
<i>LGI-4. Restrictions on rights: Land rights are not conditional on adherence to unrealistic standards.</i>	
4 i	There are a series of regulations regarding urban land use, ownership and transferability that are for the most part justified on the basis of overall public interest and that are enforced.
ii	There are a series of regulations regarding rural land use, ownership and transferability that are for the most part justified on the basis of overall public interest and that are enforced.
<i>LGI-5. Clarity of mandates and practice: Institutional mandates concerning the regulation and management of the land sector are clearly defined, duplication of responsibilities is avoided and information is shared as needed.</i>	
5 i	There is a clear separation in the roles of policy formulation, implementation of policy through land management and administration and the arbitration of any disputes that may arise as a result of implementation of policy.
ii	The mandated responsibilities exercised by the authorities dealing with land administration issues are

<p>clearly defined and non-overlapping with those of other land sector agencies.</p> <ul style="list-style-type: none"> iii Assignment of land-related responsibilities between the different levels of government is clear and non-overlapping. iv Information related to rights in land is available to other institutions that need this information at reasonable cost and is readily accessible, largely due to the fact that land information is maintained in a uniform way. <p>LGI-6. Equity and non-discrimination in the decision-making process: Policies are formulated through a legitimate decision-making process that draws on inputs from all concerned. The legal framework is non-discriminatory and institutions to enforce property rights are equally accessible to all</p> <ul style="list-style-type: none"> 6 i A comprehensive policy exists or can be inferred by the existing legislation. Land policy decisions that affect sections of the community are based on consultation with those affected and their feedback on the resulting policy is sought and incorporated in the resulting policy. ii Land policies incorporate equity objectives that are regularly and meaningfully monitored and their impact on equity issues is compared to that of other policy instruments. iii Implementation of land policy is costed, expected benefits identified and compared to cost, and there are a sufficient budget, resources and institutional capacity for implementation. iv Land institutions report on land policy implementation in a regular, meaningful, and comprehensive way with reports being publicly accessible.
<p>THEMATIC AREA 2. LAND USE PLANNING, MANAGEMENT, AND TAXATION</p> <p>LGI-7. Transparency of land use restrictions: Changes in land use and management regulations are made in a transparent fashion and provide significant benefits for society in general rather than just for specific groups.</p> <ul style="list-style-type: none"> 7 i In urban areas, public input is sought in preparing and amending changes in land use plans and the public responses are explicitly referenced in the report prepared by the public body responsible for preparing the new public plans. This report is publicly accessible. ii In rural areas, public input is sought in preparing and amending land use plans and the public responses are explicitly referenced in the report prepared by the public body responsible for preparing the new public plans. This report is publicly accessible. iii Mechanisms to allow the public to capture significant share of the gains from changing land use are regularly used and applied transparently based on clear regulation. iv Most land that has had a change in land use assignment in the past 3 years has changed to the destined use. <p>LGI-8. Efficiency in the land use planning process: Land use plans and regulations are justified, effectively implemented, do not drive large parts of the population into informality, and are able to cope with population growth.</p> <ul style="list-style-type: none"> 8 i In the largest city in the country urban development is controlled effectively by a hierarchy of regional/detailed land use plans that are kept up-to-date. ii In the four major cities urban development is controlled effectively by a hierarchy of regional/detailed land use plans that are kept up-to-date. iii In the largest city in the country, the urban planning process/authority is able to cope with the increasing demand for serviced units/land as evidenced by the fact that almost all new dwellings are formal. iv Existing requirements for residential plot sizes are met in most plots. v The share of land set aside for specific use that is used for a non-specified purpose in contravention of existing regulations is low <p>LGI-9. Speed and predictability of enforcement of restricted land uses: Development permits are granted promptly and predictably.</p> <ul style="list-style-type: none"> 9 i Requirements to obtain a building permit are technically justified, affordable, and clearly disseminated. ii All applications for building permits receive a decision in a short period. <p>LGI-10. Transparency of valuations: Valuations for tax purposes are based on clear principles, applied uniformly, updated regularly, and publicly accessible</p> <ul style="list-style-type: none"> 10i The assessment of land/property values for tax purposes is based on market prices with minimal differences between recorded values and market prices across different uses and types of users and valuation rolls are regularly updated. ii There is a policy that valuation rolls be publicly accessible and this policy is effective for all properties

that are considered for taxation.

LGI-11. Collection efficiency: Resources from land and property taxes are collected and the yield from land taxes exceeds the cost of collection

- 11 i There are limited exemptions to the payment of land/property taxes, and the exemptions that exist are clearly based on equity or efficiency grounds and applied in a transparent and consistent manner.
- ii Most property holders liable for land/property tax are listed on the tax roll.
- iii Most assessed property taxes are collected.
- iv The amount of property taxes collected exceeds the cost of staff in charge of collection by a factor of more than 5.

THEMATIC AREA 3. MANAGEMENT OF PUBLIC LAND

LGI-12. Identification of public land and clear management: Public land ownership is justified, inventoried under clear management responsibilities, and relevant information is publicly accessible

- 12 i Public land ownership is justified by the provision of public goods at the appropriate level of government and such land is managed in a transparent and effective way.
- ii The majority of public land is clearly identified on the ground or on maps.
- iii The management responsibility for different types of public land is unambiguously assigned.
- iv There are adequate budgets and human resources that ensure responsible management of public lands.
- v All the information in the public land inventory is accessible to the public.
- vi Key information for land concessions is recorded and publicly accessible.

LGI-13. Justification and time-efficiency of expropriation processes: The state expropriates land only for overall public interest and this is done efficiently

- 13 i A minimal amount of land expropriated in the past 3 years is used for private purposes.
- ii The majority of land that has been expropriated in the past 3 years has been transferred to its destined use.

LGI-14. Transparency and fairness of expropriation procedures: Expropriation procedures are clear and transparent and compensation in kind or at market values is paid fairly and expeditiously

- 14 i Where property is expropriated, fair compensation, in kind or in cash, is paid so that the displaced households have comparable assets and can continue to maintain prior social and economic status.
- ii Fair compensation, in kind or in cash, is paid to all those with rights in expropriated land regardless of the registration status.
- iii Most expropriated land owners receive compensation within one year.
- iv Independent avenues to lodge a complaint against expropriation exist and are easily accessible.
- v A first instance decision has been reached for the majority of complaints about expropriation lodged during the last 3 years.

LGI-15. Transparent process and economic benefit: Transfer of public land to private use follows a clear, transparent, and competitive process and payments are collected and audited.

- 15 i Most public land disposed of in the past 3 years is through sale or lease through public auction or open tender process.
- ii A majority of the total agreed payments are collected from private parties on the lease of public lands.
- iii All types of public land are generally divested at market prices in a transparent process irrespective of the investor's status (e.g. domestic or foreign).

THEMATIC AREA 4. PUBLIC PROVISION OF LAND INFORMATION

LGI-16. Completeness: The land registry provides information on different private tenure categories in a way that is geographically complete and searchable by parcel as well as by right holder and can be obtained expeditiously by all interested parties

- 16 i Most records for privately held land registered in the registry are readily identifiable in maps in the registry or cadastre.
- ii Relevant private encumbrances are recorded consistently and in a reliable fashion and can be verified at low cost by any interested party.
- iii Relevant public restrictions or charges are recorded consistently and in a reliable fashion and can be verified at a low cost by any interested party.
- iv The records in the registry can be searched by both right holder name and parcel.

<ul style="list-style-type: none"> v Copies or extracts of documents recording rights in property can be obtained by anyone who pays the necessary formal fee, if any. vi Copies or extracts of documents recording rights in property can generally be obtained within 1 day of request. <p>LGI-17. Reliability: Registry information is updated, sufficient to make meaningful inferences on ownership</p> <ul style="list-style-type: none"> 17 i There are meaningful published service standards, and the registry actively monitors its performance against these standards. ii Most ownership information in the registry/cadastre is up-to-date. <p>LGI-18. Cost-effectiveness and sustainability: Land administration services are provided in a cost-effective manner.</p> <ul style="list-style-type: none"> 18 i The cost for registering a property transfer is minimal compared to the property value. ii The total fees collected by the registry exceed the total registry operating costs. iii There is significant investment in capital in the system to record rights in land so that the system is sustainable but still accessible by the poor. <p>LGI-19. Transparency: Fees are determined and collected in a transparent manner</p> <ul style="list-style-type: none"> 19 i A clear schedule of fees for different services is publicly accessible and receipts are issued for all transactions. ii Mechanisms to detect and deal with illegal staff behavior exist in all registry offices and all cases are promptly dealt with.
<p>THEMATIC AREA 5. DISPUTE RESOLUTION AND CONFLICT MANAGEMENT</p> <p>LGI-20. Assignment of responsibility: Responsibility for conflict management at different levels is clearly assigned, in line with actual practice, relevant bodies are competent in applicable legal matters, and decisions can be appealed against.</p> <ul style="list-style-type: none"> 20 i Institutions for providing a first instance of conflict resolution are accessible at the local level in the majority of communities. ii There is an informal or community-based system that resolves disputes in an equitable manner and decisions made by this system have some recognition in the formal judicial or administrative dispute resolution system. iii There are no parallel avenues for conflict resolution or, if parallel avenues exist, responsibilities are clearly assigned and widely known and explicit rules for shifting from one to the other are in place to minimize the scope for forum shopping. iv A process and mechanism exist to appeal rulings on land cases at reasonable cost with disputes resolved in a timely manner. <p>LGI-21. Low level of pending conflict: The share of land affected by pending conflicts is low and decreasing</p> <ul style="list-style-type: none"> 21 i Land disputes in the formal court system are low compared to the total number of court cases. ii A decision in a land-related conflict is reached in the first instance court within 1 year in the majority of cases. iii Long-standing land conflicts are a small proportion of the total pending land dispute court cases.

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